

## Wilmette Public Library District

Board of Trustees Regular Meeting, June 23, 2020

Draft Working Budget Expenditures, Fiscal Year 2020-2021 [updates since 5/19 appear in red]

Overview of Key Changes from FY 2019-2020

The 2020 COVID-19 pandemic has significantly impacted our future budget planning cycle this year and has led us to explore a number of scenarios and planning responses. Despite the current challenges, the overwhelming majority of our operations have continued with adaptations even with such short notice. Assuming an adaptive environment for the whole of the next budget cycle, the draft FY20-21 budget represents a hard look at priorities and opportunities to develop creative solutions, while ensuring appropriate facility maintenance and resource flexibility to meet our overall operational and strategic goals. The result of this draft is a model of operations that establishes clear priorities, builds on our strengths, and reinforces opportunities to serve in new and enhanced ways in this rapidly changing climate.

The Library is proposing a 4.1% increase in the overall Working Budget for FY2020-2021.

Key changes in the proposed FY 2020-2021 Budget from current FY 2019-2020 Budget include:

Patron Materials and Services [net increase of \$41,500 over FY19-20]

### I. A. Books/Continuations

We're proposing a 10% reduction in the general materials budget for FY20-21. National trending data and projections suggest that the publishing industry may be slowed or otherwise adversely affected in production of print materials due to the pandemic. This may diminish the availability of some materials, and may also intermittently affect our lending model in the near future as it did in spring 2020. That said, staff still has ambitious goals for collection development and maintenance this coming year, including updating and replacing core collection titles, which will require sustained funding to meet demand. We're confident this realignment will allow us to both adapt and still meet our goals.

### I. B. Library of Things

As part of the 2018-2021 Strategic Plan (*Objective 2.1: By July 2018, create a "Library of Things" that circulates non-traditional library items*), this line item saw its initial expenses and development as part of the FY17-18 budget. The collection has grown and become part of the Library's general collection, though spending has since slowed through the current FY19-20 cycle. Given the recent pandemic and its sanitary/maintenance challenges posed to circulation of unique physical materials (especially those worn by users, including virtual reality headsets, telescopes, and bird watching kits), we anticipate a slight moratorium in development of this collection in the near term. Now that it's established, staff supports integration of this collection into the general materials budget going forward.

### I. C. Audiovisual Materials

Circulation of physical audiovisual materials has been in slow decline over the past several years due in part to the rise and convenience of comparable streaming and downloadable resources. While music, audiobooks, video games, and movies remain popular with our users, realignment of this budget line to reflect the shift to digital is in order this year. We're proposing an 11% reduction of this line.

#### **I. D. Periodicals**

Over the past few years, we have reported trending that print serials and periodicals are continuing to decline in popularity and physical publication as consumers shift their attention for ephemeral content from print to digital platforms. This past year we saw dozens of our magazine collection's titles cease publication or shift to digital. As such, we are reducing the budget for this collection by 23% this year.

#### **I. E. Electronic Resources (Adult & Youth Services)**

Even prior to the exponential demand for these resources during the shelter-in-place order that closed the library building and suspended physical materials circulation, spending has outpaced the budget in this line for the past few years. This is due to the demand for these popular resources both in terms of on-demand products like Hoopla, as well as patron-driven selection for e-books and e-periodicals, as well as online research resources. Expenses in this line were expected to perform similarly in FY20-21 even before the pandemic. In the past several weeks, circulation has doubled and tripled for products like OverDrive, Hoopla, and Kanopy. Recent changes in the governance of the Overdrive Digital Library of Illinois consortium may affect future budgeting for this line, as local demand increases for e-media call for additional support to the Overdrive Advantage collection. Hoopla circulation continues to grow at an exponential rate as more users are introduced to the instantly-available popular content on this platform with its unique pay-per-use model. Contract renewals for research databases are still posting annual incremental increases, due in part to annexation of additional licensed content as more print-only products migrate to digital-only. The 25% increase we're proposing to this line includes strong development of streaming and downloadable platforms, as well as close analysis and reduction of less-well performing database subscriptions. Overall, this funding increase aligns with Strategic Plan *Objective 2.3: Beginning in June 2019, adjust current practices to increase ease of use of physical and digital collections.*

#### **I. F. Computer Software**

Spending in this line has failed to meet budget allocations the past few years. And while we anticipate that we will need to enhance our resources for both staff and public going forward (including subscriptions to remote work platforms and tools), we feel the proposed 10% reduction below the FY19-20 budget is reasonable and sustainable for the near term - especially since we learned that our planned upgrade to Microsoft Teams will be included free of charge with our current subscription.

#### **I. G. Electronic Service Providers**

This line of the budget includes our website/virtual branch's design and maintenance services. Staff has been adapting to the limitations of our current website's infrastructure for the past few years, but have been especially strained in implementing responsive communication and design elements since the building's closure in March in response to the pandemic. Our current consultant has been able to be troubleshoot and apply some changes to help us adapt, though it's clear that we're due for a full redesign. Digital Services staff and Leadership Team members have been collecting details (including current and past patron feedback) for our next website's design/feature wishlist. Based on peer review and past experience, we're estimating that research, design, development, testing, consulting, maintenance, and a deliverable website and internal staff intranet would require at least \$25,000 and a public bid process. We're proposing a 23% increase to this line to help fund this initiative.

## **I. H. Programming**

Increasingly a signature element of our brand, both staff-directed and contracted programming has never been more popular. Additional staffing support has opened new possibilities for programming and is reflected in the increased attendance for existing programs as well as dynamic new programs. That said, with imposed limits on the number of people allowed to gather amidst the pandemic and potentially sustained suspension of use of the Auditorium and Youth Program Room, we anticipate much of our programming for FY20-21 will need to be conducted virtually. This funding decrease of 25% [we added back \$5,000 from the previous draft reduction of 33%] still allows staff to develop and adapt programs for virtual platforms using contracted vendors as appropriate, while also emphasizing our investment in personnel and the creative/adaptive assets of our team. The reduced budget for this line still support our Strategic Plan objectives, including: *Goal 1: Focus library services to promote connections in our community; Objective 3.3: Beginning in April 2019, develop intergenerational opportunities for youth and adults to work together on a shared goal; Objective 3.4: Beginning in August 2019, develop a comprehensive plan to integrate diversity into library programming, services, and staff; and Objective 5.4: By March 2019, develop a set of tools to evaluate how the Library's services, collections, and programs are meeting the needs of the community.*

## **I. I. Interlibrary Loan**

We anticipate that future demand for ILL will follow its pacing from this past fiscal year, as we have been ahead of our projections from last year. That said, suspension of physical material lending from outside of our local library systems may continue to be sustained (as it is today) or temporarily suspended again if the pandemic response of the industry follows the same course in the event of another outbreak. This \$300 increase should account for both scenarios.

## **I. J. Newsletter/Communications**

By far our most successful communication tool, *Off The Shelf* (the Library's bi-monthly print newsletter, mailed to all residences in District), is effectively the Library's program guide and key connection to library news in our community. With the sharp pivot in in-person programming to virtual this spring, and the inability to confidently plan events months into the future as we typically have done, newsletter production has been greatly affected and will likely continue for the foreseeable future. That said, even with the temporary suspension of this publication, staff has adapted and continues to use the mail as an effective means to communicate with patrons. We anticipate sending more targeted and timely postcards and smaller, more-immediate print mailings going forward. Despite the 12.5% reduction in this line, we feel that we can still make the most of our print publications and communications from this budget in FY20-21.

## **I. N. Friends Purchases**

Just ahead of the sudden closure of the library building this spring, the Friends of the Wilmette Public Library approved an ambitious set of initiative funding requests from staff in Adult, Youth, and Community Services, including sustained funding of our signature Summer and Winter Reading Clubs. While not all of the near \$40,000 grants will be able to continue amidst the pandemic, we do feel that at least \$30,000 of the proposed projects that the Friends agreed to fund will be able to continue by design. As such, we're including this 4% increase in this in/out grant fund line.

## II. A-C. Salaries

Planning an organization's staffing and salaries is a challenging moving target in any environment, and certainly even more so during an unprecedented pandemic where outside factors can suddenly affect plans in unanticipated ways. Public discussion of the Library's compensation plan is a sensitive and serious subject covering a wide range of variables. Under the Open Meetings Act, it's one of the few subjects that Boards and Administrations can reserve for discussion in Closed Session, and should always be reserved for such occasions. At the May 11 Finance Committee meeting we agreed to consider this topic and save discussion until the planned Closed Session at the Regular Meeting on May 19. These budget lines are presented exactly as Administration had been preparing them in the weeks prior to the pandemic.

**Background:** Wilmette Public Library is a service organization. In our efforts to provide our community with quality resources, collections, and services, the Library relies on the dedication, skills, talents, strength, qualifications, and training potential of our staff to achieve our mission. In spring 2018, the Library conducted a benchmarking study for its workforce, formally comparing our compensation plan with our job descriptions (and requisite knowledge, skills, and abilities), and matching this data to industry metrics and standards to ensure that our compensation is fair, appropriate, and keeping pace with the local market.

The market study resulted in an updated salary schedule, which requires annual maintenance and adjustment to remain current and competitive. The first phase of progressive adjustments to our compensation plan, in an effort to meet the market, was completed with the lowest salaried positions in summer 2018. The next phase of adjustments began implementation in FY19-20, and will need to be completed concurrent with planned cost-of-living adjustments by January 2021 to limit compression. The January 1, 2020 passage of the statewide plan to raise the minimum wage to \$15 will have a further cascading effect over the Library's overall compensation structure, and will need to be accounted for as the salary schedule continues to be aligned. Further, as our strategic direction and service model evolves, departments will continue to evaluate all open positions and roles of current positions to determine needs in fulfilling our mission. To accomplish these ends, we propose a 5% increase to these lines.

Our compensation plan is reinforced in our Strategic Plan: *Objective 4.2: By February 2019, refine personnel and compensation policies to equitably recruit, retain, and recognize talented staff; Objective 4.4: By December 2019, equip staff with professional development tools and leadership opportunities, and support individual paths for career growth.*

## II. F. Travel/Mileage

The \$25,000 (-70%) decrease in this line reflects the reality/impacts of the pandemic, as we anticipate a sustained pause in travel to conferences and in-person, off-site training. The summer 2020 ALA annual conference has been canceled, as have a number of other popular and regularly attended events by our staff. The Library remains dedicated to continuing education and professional development opportunities for our team, in fulfillment of our strategic goals, however we expect there will be fewer such opportunities (and fewer safe options) for the foreseeable future.

*Objective 4.4: By December 2019, equip staff with professional development tools and leadership opportunities, and support individual paths for career growth.*

## II. G. Staff Development

The proposed 50% reduction in this line (from FY19-20 to FY20-21) directly relates to the conditions that influenced the reduction of budget line II. F. Travel/Mileage, though still provides funding for any remaining continuing education and professional development opportunities in meeting the goals of Strategic Plan *Objective 4.4*.

## II. H. Employee Health Insurance

Over the past few years, the Library's health insurance consortium has been able to absorb rising costs of premiums that other sectors of the marketplace have been otherwise unable to defer. Given the current global health crisis, we anticipate that we will see a rise in premiums and/or a need to reevaluate the structure of our plans going forward. As such, we've included a 10% increase to this line this year.

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Operations

[net increase of \$5,000 over FY19-20]

## III. A. Bank Fees

Historically, as a conservative measure, we've held this line flat despite relatively low banking fees and modest end-of-year surpluses for this item. And while we're already beginning to see some small fees on our accounts for the first time in years as our interest and investment rates of return diminish, we feel this budget line is more appropriately aligned with the 6% reduction.

## III. B. Professional Fees

As the Library prepares for the planned updates to the first and lower levels of the library building, and in light of the trending and shifts in usage of the facility both pre- and post-pandemic, engaging the community to learn more about how we can best allocate our spaces for both public and staff use will be vital for planning. There are a number of approaches that we can take to accomplish the intended outcome of a valuable data set to help guide our decision-making, however we may want to strongly consider professional consultation on this project as our own internal resources and communication team will be especially stretched in our ongoing response to the pandemic for the foreseeable future. This report would be a guiding tool for our architect, contractors, and other consultants. Based on peer review and past experience, we're estimating that promotion, communications, engagement, resources, consulting, and a deliverable summary report would require about \$15,000 (a 75% increase to this line). The rest of this budget line includes our regular annual legal and accounting fees.

## III. C and D. Library and Office Supplies

In anticipation of a work environment that will temporarily require fewer physical resources, we're preparing to rely on our current reserve of library and office supplies and reallocating \$10,000 from these funds to our computer and digital resources.

### **III. F. Printing**

The 54.5% reduction in this budget line anticipates reduced production of physical print and promotional materials in-house for FY20-21.

### **III. H. Telephone**

While the planned telephone system replacement project (a joint partnership with the Village and Wilmette Park District) is a separate capital infrastructure project eligible for expenditure from our Special Reserve Fund balance, this budget line relates to our service lines, maintenance, and contracts related to our telephone service. We anticipate that our rates will increase along with the updated and expanded feature set of the new system. While those details remain to be determined (the project was interrupted by the pandemic), we feel this \$2,000 (15%) increase will cover our annual expenses and result in more flexible options for telephone service going forward.

### **III. M. Building Supplies**

This budget line item has been slightly overspent by the fourth quarter of the last several years, and would have required correction this year anyway, however we're also anticipating the need for additional supplies this year as we continue to respond to the pandemic's impact on our building. Staff has made an investment in such supplies already in FY19-20 for the road ahead, but will need to maintain a substantial inventory to ensure continuity of operations. The 17% increase in this line aims to ensure that the library building is appropriately equipped to respond to and weather whatever comes its way during FY20-21.

### **III. P. Grounds Maintenance**

As part of the 2019 Outdoor Renovation Project, the grounds were covered by 1 year of included grounds maintenance and full warranty of our new native plantings. The plantings will be reviewed with the installing contractor in June 2020 when they're fully established, to determine if any plants require replacement. Assuming there are no contingencies with the landscaping contractor following the replacement of any of that material in July/August 2020, the Library can resume its regular grounds maintenance plan for the remaining months of the summer/fall. Installation of the snow melt system as part of the same project above has further limited investment in grounds maintenance supplies and services. As a result, we're proposing an 11% decrease in this budget line for FY20-21.

### **III. Q. Parking Lot Rent**

The Library has been partnering with St. John's Church since ground broke on the Outdoor Renovation Project in 2019; the church has offered a low cost lease option for 6 full time staff to park their vehicles off-site at the neighboring church. The church has continued to offer these spots to the Library, which frees up 6 spaces in our own lot for 8 hours each day. As long as we have this option with the church, we feel this is a reasonable expense for the convenience it affords our patrons. The \$1,000 (8%) increase in this line should cover this cost.

### III. T. Library Vehicle Maintenance

With the pending purchase of a Library Vehicle in FY20-21, this new expense line will cover annual operating costs including: registration, fuel, maintenance, insurance, and other associated expenses.

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#### Special Projects

##### **Telephone System Replacement (Partnership with Village of Wilmette and Wilmette Park District)**

The Library's telephone system has been under administrative review for the past several years and is overdue for update and replacement. The backend hardware is no longer supported for maintenance and the endpoint handsets are outdated, lacking in features, and only available for repair/replacement from parts on the secondary market. Both the Village and Park District find themselves in a similar position, so all three agencies have been meeting to discuss partnering for a group purchase of new systems for all three partners. We recognized that if we were to pool resources, we could save costs on planning, developing, posting and managing the bid feature set, and reduce the impacts of technology planning, while saving all three agencies time and money on the outcome.

The goal of this partnership is to produce new telecommunication systems for each agency that will radically update and improve our services as delivered by telephone, and expand our opportunities to serve the public - even in a remote work environment. These systems will be property of each individual agency and managed independently by each, but will likely all derive from the same vendor and platform.

The project is eligible for expenditure from the Special Reserve Fund as necessary operational capital infrastructure. As the partners have not finalized the details of the requested quantities and feature sets for each agency, we don't have an estimate for the full cost of replacement. It's reasonable to anticipate that this project may cost upwards of \$120,000, but that figure is subject to a number of caveats and conditions, and may include a portion of contractual maintenance or negotiated/included services that may otherwise have been budgeted as part of annual maintenance in the operating budget (line III. H. Telephone). We expect this project will begin moving forward again in the third quarter of 2020.

##### **Library Vehicle**

In fall 2019, as the Board moved to retire the long dormant Endowment Fund (~\$38,000), the Finance Committee began discussion of a library vehicle. Each day the library is open, staff uses their own personal vehicles to: collect returned materials from our 3 remote bookdrops, distribute physical materials to homebound patrons, deliver resources to local preschools and schools, conduct outreach and promote the Library at special events, and travel to other agencies for trainings and workshops. We discussed the liability exposures of our current methodology, as illuminated by a no-fault accident that affected one of our employees. We discussed the opportunities for enhanced outreach and delivery services, and the promotional/marketing opportunity of having a branded library vehicle driving around our service area and community.

In the time since that discussion, we have reached out to the Village to see if we might be able to partner in the purchase of a vehicle at a pre-negotiated government rate. The Village agreed and offered to help us take advantage of their existing purchasing channels. I'd like to ask that the Board support the Library's plan to purchase, brand/wrap, and deploy its first vehicle in many years to better expand our

outreach and delivery options. We feel this resource will only become more valuable to us as our services need to be more adaptive in the wake of the pandemic. We expect the cost of an equipped commercial library vehicle to be about \$40,000. I propose that we allocate the funds from the retired Endowment Fund and the General Fund balance to cover the expense of this vehicle.

### **RFID**

The Library's annual "Plan for Remodeling, Repairing and/or Improving the Existing Library Building and Purchasing Necessary Equipment and Estimating Costs" has regularly included a line item for improving material security and access. In our most recent resolution, we included the following:

B. Update, provision, install, and maintain the integrated automated materials handling system, either independently or as part of the Cooperative Computer Systems (CCS) consortium, including the cost of tagging the collection with RFID technology. (Estimated cost \$300,000)

RFID technology enables efficient and ergonomic collection inventory, security, and circulation operations in libraries. Like other technologies that enable self-checkout of library materials, RFID can also enhance individual privacy by allowing users to checkout materials without relying on library staff (including via the 2 new self-checkout units purchased in May 2020). Based on review of public libraries who have recently adopted new RFID and materials handling systems, we estimate our project's equipment and resources would cost between \$200,000 and our previous estimate of \$300,000. The labor to adopt this system will be handled in-house, and could be a perfect project for staff to complete behind the scenes should the library need to close to the public again when/if the pandemic returns to our area in the next fiscal year.

### **Next 3-5 Year Strategic Plan**

The Library is entering the final year of its current multi-year strategic plan. While we worked with a contracted consultant in developing the current plan, staff is recommending that we complete the next iteration of this plan in-house. We may also wish to defer creation of a multi-year plan in light of the pandemic's immediate impacts, and focus our strategic efforts on near term objectives and key items to-be-identified in the forthcoming delivery of the Capital Reserve Study report in summer 2020.

Regardless of the Board and staff's approach to this project, we anticipate that the next strategic plan will be completed primarily on staff time and be cost neutral.





WILMETTE PUBLIC LIBRARY DISTRICT - EXPENSES: BUDGET VS ACTUAL, 2018-19, 2019-20, AND PROPOSED BUDGET 2020-21

	Expenses FY 2018-19	Budget FY 2018-19	% used	Expenses YTD 5/31/20	Budget FY 2019-20	% used	Proposed Budget FY 2020-21	% increase decrease
<b>I. PATRON MATERIALS/SERVICES</b>								
A. Books/Continuations	306,073	305,500	100.2%	208,018	305,500	68.1%	275,000	-10.0%
B. Library of Things	5,728	8,000	71.6%	1,135	5,000	22.7%	-	-100.0%
C. Audio Visual Materials	101,711	114,000	89.2%	69,315	113,000	61.3%	100,000	-11.5%
D. Periodicals	42,473	58,500	72.6%	40,420	58,500	69.1%	45,000	-23.1%
E. Electronic Resources	375,030	340,000	110.3%	383,757	400,000	95.9%	500,000	25.0%
F. Computer Software	11,717	14,000	83.7%	8,660	14,000	61.9%	10,000	-28.6%
G. Electronic Service Providers	113,233	122,000	92.8%	91,264	122,000	74.8%	150,000	23.0%
H. Programming	49,323	56,000	88.1%	45,373	60,000	75.6%	45,000	-25.0%
I. Interlibrary Loan	1,145	1,200	95.4%	1,083	1,200	90.3%	1,500	25.0%
J. Newsletter/Communications	27,491	40,000	68.7%	15,451	40,000	38.6%	35,000	-12.5%
K. Promotion	11,342	20,000	56.7%	3,242	10,000	32.4%	10,000	0.0%
L. Grant Expense	1,200	1,000	120.0%	0	1,000	0.0%	1,000	0.0%
M. Rutherford Trust Expenditures	7,293	9,000	81.0%	5,334	9,000	59.3%	9,000	0.0%
N. Friends Purchases	36,582	28,800	127.0%	14,205	28,800	49.3%	30,000	4.2%
<b>II. PERSONNEL</b>								
A. Librarian Salaries	1,354,561	1,503,528	90.1%	1,287,721	1,578,704	81.6%	1,663,954	5.4%
B. Non-Librarian Salaries	1,435,474	1,424,273	100.8%	1,367,026	1,495,487	91.4%	1,576,243	5.4%
C. Custodial Salaries	200,099	190,740	104.9%	196,305	200,277	98.0%	211,092	5.4%
D. Professional Memberships	6,195	6,500	95.3%	6,267	6,500	96.4%	6,500	0.0%
E. Continuing Education Registrations	6,042	8,000	75.5%	4,903	10,000	49.0%	10,000	0.0%
F. Travel/Mileage	6,625	20,000	33.1%	7,881	35,000	22.5%	10,000	-71.4%
G. Staff Development	29,649	35,000	84.7%	5,083	30,000	16.9%	15,000	-50.0%
H. Employee Health Insurance	527,487	548,300	96.2%	568,232	548,300	103.6%	600,000	9.4%
<b>III. OPERATION</b>								
A. Fees - P/R, Bank, Cr Cd	10,479	16,000	65.5%	9,513	16,000	59.5%	15,000	-6.3%
B. Professional Fees	18,971	20,000	94.9%	10,696	20,000	53.5%	35,000	75.0%
C. Library Supplies	22,338	35,000	63.8%	18,759	35,000	53.6%	30,000	-14.3%
D. Office Supplies	38,283	45,000	85.1%	27,488	45,000	61.1%	40,000	-11.1%
E. Copiers	29,482	28,000	105.3%	25,223	28,000	90.1%	28,000	0.0%
F. Printing	2,118	11,000	19.3%	463	11,000	4.2%	5,000	-54.5%
G. Postage/Shipping	6,509	6,000	108.5%	3,436	6,000	57.3%	6,000	0.0%
H. Telephone	10,485	13,000	80.7%	9,958	13,000	76.6%	15,000	15.4%
I. Equip/Furnishings/Computers	72,376	125,000	57.9%	46,818	125,000	37.5%	125,000	0.0%
J. Equip/Computer/Security System Maint.	123,642	122,000	101.3%	56,982	86,000	66.3%	86,000	0.0%
K. Property/Casualty Insurance	11,000	25,000	44.0%	11,782	27,500	42.8%	27,500	0.0%
L. Building/Grounds Improvement	12,151	20,000	60.8%	12,790	20,000	64.0%	20,000	0.0%
M. Building Supplies	26,432	24,000	110.1%	22,502	24,000	93.8%	28,000	16.7%
N. Building Maintenance	70,739	85,000	83.2%	37,231	85,000	43.8%	85,000	0.0%
O. Building Maintenance Contracts	95,984	100,000	96.0%	80,336	100,000	80.3%	100,000	0.0%
P. Grounds Maintenance	18,378	45,000	40.8%	9,978	45,000	22.2%	40,000	-11.1%
Q. Parking Lot Rent	12,740	12,000	106.2%	10,050	12,000	83.8%	13,000	8.3%
R. Utilities	17,443	21,000	83.1%	20,673	21,000	98.4%	22,000	4.8%
S. Sales & Use Tax	27	100	27.0%	37	100	37.0%	100	0.0%
T. Library Vehicle Maintenance	0	-	0.0%	0	-	0.0%	4,000	new
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>5,256,050</b>	<b>5,607,441</b>	<b>93.7%</b>	<b>4,745,390</b>	<b>5,791,868</b>	<b>81.9%</b>	<b>6,028,889</b>	<b>4.1%</b>